

MINUTES OF THE CITY OF BURLINGTON  
CITY COUNCIL MEETING  
JUNE 1, 2010

The City Council of the City of Burlington held a regularly scheduled meeting in the Council Chamber, Municipal Building, 425 South Lexington Avenue, Burlington, N. C., 27216-1358, on June 1, 2010, at 7:00 p.m.

Mayor Ronnie K. Wall presided

Councilmembers Present: Mayor Wall, Councilmembers Huffman,  
Butler, Ross and Faucette

Councilmembers absent: None

Harold Owen, City Manager: Present

Robert M. Ward, City Attorney: Present

Jondeen D. Terry, City Clerk: Present

INVOCATION: Councilmember Jim Butler

REPORTS:

Elon University BioBus

Ms. Mary Morrison, Kernodle Center for Service Learning, Elon University, introduced Brian O'Shea and Tammy Cobb. She stated that the purpose of the BioBus pilot project was to provide better access to government and non-profit agencies that used Elon students as volunteers. She said the intention was that the BioBus would decrease Elon's carbon footprint and encourage faculty, staff and students to use public transportation. Mr. O'Shea reported that from February 2 to May 18, 2010, 1,100 riders traveled the Downtown/East Burlington Express Route. Ms. Cobb pointed out that they were fortunate to have community partnerships and people in the community who had invested in this project. Ms. Morrison stated the project had been approved for another semester and that they were planning an awareness campaign.

Mayor Wall asked about adding the hospital as a stop and Mr. O'Shea said he did not see that as an option because that would not be providing service to their main constituency.

## Bob High, Davenport Public Finance - Bond Rating

Finance Director Peggy Reece introduced Mr. Bob High, First Vice President, Davenport & Co., LLC, Public Finance Group. Ms. Reece said he previously worked with the state for 30 years and 23 years with the Local Government Commission.

Mr. High announced that the City of Burlington bond rating had been increased from an AA- to an AA by Standard and Poors. He stated that it was a very good accomplishment and that the Finance Director, Manager and City Council had contributed. He explained that ratings have become important and that it will be of value in market in range of the utility debt.

## MINUTES

Mayor Wall called for approval of the City Council minutes of the meeting of May 18, 2010.

Upon motion by Councilmember Ross, seconded by Councilmember Faucette, it was resolved unanimously to approve the minutes of the meeting held on May 18, 2010.

## ADD-ONS:

- A. Item C - Consent Agenda - Resolution - Collective Bargaining by Local Governments
- B. Item 3 - New Business - Amendment to House Bill 1688 and Senate Bill 1121

Upon motion by Mayor Pro Tem Huffman, seconded by Councilmember Butler, it was resolved unanimously to add the above-referenced items to the agenda.

## ADOPTION OF AGENDA

Upon motion by Mayor Pro Tem Huffman, seconded by Councilmember Faucette, it was resolved unanimously to adopt the agenda as amended.

## CONSENT AGENDA:

### ITEM 1:

- A) To approve an immunization agreement between the City of Burlington Kernodle Senior Center and Maxim Health Systems, LLC, to provide immunizations to eligible recipients.

- B) To approve the renewal proposal with Blue Cross Blue Shield of North Carolina and the proposal with Madison National Life to authorize the Finance Director to execute the contract and any other applications that may be required to complete the renewal and to appoint the Finance Director as Plan Administrator for all the employee insurance plans.
- C) To adopt a resolution urging the General Assembly not to permit collective bargaining with local government unions; and that the state's congressional delegation be urged not to mandate collective bargaining with any category of local government employees.

10-07

#### RESOLUTION CONCERNING COLLECTIVE BARGAINING BY LOCAL GOVERNMENTS

WHEREAS, the federal and state governments historically have given local government employers the right and responsibility to manage their own employee relations; and

WHEREAS, there are efforts underway in the U.S. Congress and the North Carolina General Assembly either to mandate or permit local governments to bargain collectively with local government employee unions; and

WHEREAS, the elected officials in each local government are best able to formulate the policies and methods of managing relations with their employees; and

WHEREAS, local governments in North Carolina have a highly respected record of fairly and efficiently managing their personnel who provide the government services which are important to their citizens; and

WHEREAS, for Congress to mandate or the General Assembly to permit local government employers to recognize and collectively bargain with local government employee unions would be a radical and unwarranted alteration in the operation of local governments and be highly disruptive of the efficient and timely provision of government services.

NOW, THEREFORE, be it jointly resolved by the City of Burlington that:

The General Assembly is urged in the strongest terms not to permit collective bargaining with local government unions and that the state's congressional delegation be urged not to mandate collective bargaining with any category of local government employees.

Upon motion by Councilmember Butler, seconded by Councilmember Ross, it was resolved unanimously to approve the foregoing consent agenda.

PUBLIC HEARING:

ITEM 2 - 2010-11 FISCAL YEAR BUDGET AND COMMUNITY DEVELOPMENT BUDGET

Mayor Wall announced that a public hearing had been scheduled to consider adoption of the proposed 2010-2011 Fiscal Year Budget for the City of Burlington and to adopt the Grant Project Ordinance for the 2010-2011 Community Development Program.

City Manager Owen thanked Council for its bold leadership. He pointed out that by making cutbacks early and by projecting revenues conservatively thus far, there has not been a reduction of services.

Mr. Owen reviewed the 2010-2011 budget stating that staff was asked to submit baseline budgets with no increase from the 2009-2010 budget with the exception of capital expenditures. Additionally each department was required to reduce travel and departmental operations supply accounts by ten percent. Emphasis was given to ensure that needed capital projects were not delayed and forced out to future years when costs may be higher. The City continues to be challenged with decreasing economy driven revenues. Mr. Owen said that department heads and their staffs have done an excellent job continuing to provide the current level of service without increasing costs.

Mr. Owen presented a proposed General Fund budget for 2010-2011 of \$47,203,745 which is a \$246,521 decrease over the 2009-2010 budget. He stated that no tax increase was recommended and that the tax rate remain at \$.59 per \$100 assessed valuation. He said that the proposed budget provided for no merit and/or cost of living increase for employees. The policy of requiring all full-time employees to take six days (48 hours) off during the first six months of the fiscal year, utilizing either accrued leave or time off without pay remained in effect.

He stated that the proposed budget for the water and sewer

fund is \$22,984,700 and includes \$1,283,000 to begin covering debt services for the state-mandated Jordan Lake Rules compliance and for debt services associated with dam repairs at Lake Cammack and Stoney Creek. These obligations necessitate a seven percent increase in both water and sewer rates. He stated that similar rate increases will be necessary in FY 2011-2012 and 2012-2013 to generate sufficient revenues to cover the debt service.

Mr. Owen stated that staff recommended a Stormwater Fund budget of \$403,355, and the rate continues at \$2.00 per water and sewer customer.

Mr. Owen stated that the Burlington Downtown Corporation (BDC) recommended the current tax rate of \$.16 per \$100 assessed valuation be maintained.

Mayor Wall asked about the amount of money spent on computers, and Mr. Owen stated that there were 120 units to be purchased City-wide with an average cost of \$1,500 per unit.

Police Chief Williams pointed out that the police vehicle computers were replacements and would be mounted in the front of all police cars, speeding up response time and keeping the officers in their zones longer. He stated that a five-year warranty was included with the computers.

Councilmember Faucette said City staff had done an outstanding job on the budget and that it was a wonderful budget for the citizens of Burlington.

Mayor Pro Tem Huffman thanked staff for its work. He reiterated that this was the second year that there was no salary increases for staff. He stated that Council had an obligation to citizens and to the organization and that it was a balancing act each year. He explained that the elected body had a responsibility to employees and that it must be sensitive to what is going on in the community.

Councilmember Butler stated that the dedication of the entire staff is reflected considering there had been no salary increases in two years. He said Council and staff must look for growth. He stressed that economic development and growth were important so that tax revenue can be derived from it. He stated that being pro economic development and growing the economy were other ways to increase the possibility of giving salary increases.

Councilmember Ross commended staff for developing a budget with no increases in the current environment. He said when staff

did not receive an increase it is important to tell them they are appreciated.

Upon motion by Mayor Pro Tem Huffman, seconded by Councilmember Butler, it was resolved unanimously to close the public hearing.

Councilmember Ross moved for the adoption of the 2010-11 budget ordinance including Water and Sewer, General Fund, Storm Water and Community Development:

10-11

BUDGET APPROPRIATION ORDINANCE ESTABLISHING A TAX RATE OF \$.590 PER \$100 VALUATION ON A TOTAL ESTIMATED VALUATION OF \$4,123,104,410, WITH AN ESTIMATED 95% COLLECTION OF THE LEVY.

NINE AND SIXTEEN ONE HUNDREDTHS CENTS (\$.0916) PER \$100 OF THE \$.590 PER \$100 VALUATION REPRESENTS A DEBT SERVICE RESERVE.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BURLINGTON:

Sec. 1. That the following amounts are hereby appropriated for the operation of City Government and its activities for the fiscal year beginning July 1, 2010, and ending on June 30, 2011.

SUMMARY OF GENERAL FUND BUDGET

EXPENDITURES:

Public Administration	623,763
Customer Service/Collections	334,511
Finance/Risk Management Department	848,019
Information Technology Department	719,413
Legal Department	686,339
Human Resources	602,323
Planning/GIS Division	1,139,305
Inspections/Transport/Tech Svcs	2,192,531
Engineering	652,829
General Administration/Building	4,422,636
Police Department	12,481,021
Fire Department	5,907,553

Public Works	7,581,991
Recreation Department	5,423,229
Debt Service	<u>3,588,282</u>
TOTAL GENERAL FUND EXPENDITURES	<u>\$47,203,745</u>

REVENUES:

Ad valorem Taxes - Current Year	\$ 23,237,000
- Prior Year	525,000
State Reimbursements	-
State Shared Taxes	4,612,000
Local Option Sales Tax	8,114,902
Cable TV Franchise Tax	425,000
Investment Earnings	305,000
Privilege Licenses	517,000
ABC Net Revenues	-
Water & Sewer Admin. Cost	1,600,000
Permits	406,000
Reimbursement Costs - GIS Cities	-
Animal Shelter Fees	519,127
Sanitation Fees	1,107,000
Recreational User Fees	2,171,030
Cemetery Fees	104,000
Miscellaneous Revenues	1,923,700
Appropriated Fund Balance	1,636,986
Restricted Fund Balance Appropriated	<u>-</u>
TOTAL GENERAL FUND REVENUES	<u>\$ 47,203,745</u>

SUMMARY OF WATER RESOURCES FUND BUDGET

EXPENDITURES:

Water & Sewer-Bldgs.-Admin. Serv.	\$	4,415,061	
Trans to Jordan Lake Project		916,700	
Trans to Dam Repairs Project		366,300	
Customer Services - Water & Sewer		1,111,398	
Supv. Water & Sewer Lines		311,793	
Water Line Maint. & Repair		835,867	
Sewer Line Maint. & Repair		633,237	
Water Line Service & Construction		580,025	
Sewer Line Service & Construction		583,204	
Supv. - Utilities & Engineering		574,020	
Water Sources Protection		168,800	
Ed Thomas Water Plant		1,031,115	
Mackintosh Water Plant		2,102,168	
S. Burlington Waste Treatment Plant		2,098,605	
E. Burlington Waste Treatment Plant		2,622,602	
Laboratories - Water & Sewer		503,533	
Compost Facility		202,670	
Plants Maintenance - Water & Sewer		704,115	
Lakes and Marinas		388,008	
Debt Service		2,835,599	
			\$
TOTAL WATER RESOURCES FUND EXPENDITURES			<u>22,984,820</u>

REVENUES:

Water Rents	\$	7,822,500
Sewer Rents		11,340,000
Water Sales - Greensboro		1,848,000
Interest Earnings		285,200
Water Taps		140,000



Sewer Taps	50,000	
Industrial Surcharges	40,000	
Unit Development Fees	40,000	
Compost Sales & Delivery	-	
Water & Sewer Capital Reserve	-	
Water & Swer Assessmt & Conn Fees	90,000	
Jordan Lake DENR Mandate	916,700	
Dam Repair Fees	366,300	
Miscellaneous	46,120	
Fund Balance	-	
		<hr/>
TOTAL WATER RESOURCES FUND REVENUES \$		22,984,820

SUMMARY OF STORMWATER FUND BUDGET

EXPENDITURES:

Stormwater	\$ 403,355	<hr/>
TOTAL STORMWATER EXPENDITURES	\$	403,355

REVENUES:

Stormwater Fees	\$ 403,355	
Appropriated Fund Balance	-	<hr/>
TOTAL STORMWATER REVENUES	\$	403,355

SUMMARY OF FUNDS

	<u>REVENUES</u>	<u>EXPENDITURES</u>
	\$	\$
General Fund	47,203,745	47,203,745
Water Resources Fund	22,984,820	22,984,820
Stormwater Fund	403,355	403,355
	<hr/>	<hr/>
TOTAL OPERATING FUNDS	\$70,591,920	\$70,591,920

CAPITAL PROJECTS & OTHER SPECIAL FUNDS

	<u>REVENUES</u>	<u>EXPENDITURES</u>
Municipal Service District (BDC)	\$ 245,500	245,500

Guilford-Mackintosh	216,180	216,180
Rehab.Loan/Rental Rehab.	35,176	35,176
Drainage Improvements	25,000	25,000
Community Development Rehab. Loans	166,850	166,850
Rico	90,923	90,923
Controlled Substance	43,922	43,922
MPO - Transportation	276,779	276,779
General Capital Reserve	1,500,000	1,500,000
Water Capital Reserve	872,973	872,973
Sewer Capital Reserve	872,973	872,973
<b>TOTAL PROJECTS &amp; OTHER SPECIAL FUNDS</b>	<b>\$ 4,346,276</b>	<b>\$4,346,276</b>

Sec. 2. There is hereby levied the following rates of tax on each One Hundred (\$100.00 Dollars valuation of taxable property as listed for taxes as of January 1, 2007 for property tax as set forth in the foregoing estimates of revenue, and in order to finance the foregoing appropriations:

General Fund (general expenses incidental to proper government of the City):

-	
0.4997	Operations
-	Debt
<u>0.0903</u>	Service
0.5900	

Such rates of tax are based on an estimated assessed valuation of property, for purposes of taxation, of four billion one hundred thirty million two hundred seventy-nine thousand four hundred sixty-nine dollars at an estimated rate of collection of ninety-five percent (95%).

Sec. 3. That anticipated revenue from North Carolina Gasoline Tax rebate "Powell Bill Funds", in the sum of one million three hundred nineteen thousand dollars (\$1,319,000) will be appropriated in the Street, Traffic Control, Street Signs - Markings, Street Cleaning, Engineering, and Administration Accounts of the Budget.

Sec. 4. An additional rate of sixteen cents (\$.16) per \$100 assessed valuation is levied on the properties falling within the Special Taxing District for downtown development. (Downtown Corporation)

Sec. 5. Copies of this ordinance shall be furnished to the Budget Officer and the Finance Director to be kept on file by them for their direction in the disbursement of City funds.

Sec. 6. That this ordinance shall take effect upon passage.

The foregoing ordinance was seconded by Mayor Pro Tem Huffman, and after full discussion, the same was voted upon and declared duly adopted, no amendments having been offered and consent having been given to place the same upon its immediate passage. Councilmembers voting in favor of the motion to adopt the foregoing ordinance were Wall, Huffman, Butler, Ross and Faucette.

#### NEW BUSINESS:

#### ITEM 3: AMENDMENT TO HOUSE BILL 1688 AND SENATE BILL 1121

Mayor Wall announced that Council would consider approval of an amendment to House Bill 1688 and Senate Bill 1121 and to request Senator Tony Foriest, Representative Alice Bordsen and Representative Dan Ingle to introduce this amendment to amend the City's Charter revising the provisions relating to the disposition and lease of City-owned property in its municipal service district.

Upon motion by Councilmember Butler, seconded by Councilmember Faucette, it was resolved unanimously to approve the amendment.

#### PUBLIC COMMENT PERIOD

#### CITY COUNCIL COMMENTS

#### ADJOURN:

Upon motion by Councilmember Ross, seconded by Councilmember Faucette, it was resolved unanimously to adjourn.

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Jondeen D. Terry  
City Clerk

June 1, 2010